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SUBJECT: BOSSI-FINI IMMIGRATION REFORM: THE RESULTS ARE IN

Classified By: LABOR COUNSELOR CANDACE PUTNAM FOR REASONS 1.4 (B)(D).

¶11. (C) Summary. Italian efforts to manage legal immigration and limit illegal immigration have met with mixed success. The Bossi-Fini law of 2002 produced a limited regularization of illegal workers but failed to establish viable long-term procedures to either encourage the legal immigration Italy needs to sustain its economy or restrict the illegal immigration that many fear breeds crime and Islamic extremism. Economists criticized the law as ineffective; human rights groups attacked it for violating constitutional rights. In the wake of the London bombings and terrorist threats, Italy approved new anti-terrorism legislation and recent police crackdowns focused on illegal immigrants. But the debate over how to fix Bossi-Fini in a way that meets economic needs, addresses security concerns and preserves Italian civil rights has just begun. End Summary.

History

¶12. (U) With the second-lowest birthrate and the largest percentage of elderly in its population in Europe, Italy needs immigrants to support rising pension and health care costs and sustain its future economy. Yet, Italy has traditionally been a country of emigrants; immigration is a relatively new phenomenon that began in the 1970's. The immigrant population doubled between 1975-80 to surpass 500,000; today there are 2.9 million legal immigrants and approximately 600,000 illegal immigrants in Italy. Current estimates suggest that 33% of all illegal immigrants crossed the border without visas, and 67% are legal border entries who have overstayed their permits. While many immigrants transit Italy in the search for better jobs in northern Europe, an increasing number, are staying and working in the underground economy, which accounts for as much as 20% of Italy's economic output. As the number of illegal immigrants rose, new legislation was introduced in 1998 and 2002 to help combat the phenomena

Immigration Legislation

¶13. (U) The Bossi-Fini Law of 2002 was designed to regularize immigrants already in Italy and to prevent further illegal immigration from occurring. It was introduced by Umberto Bossi, leader of the Northern League (a right-wing party based in northern Italy that uses often xenophobic rhetoric to raise concerns about how immigration threatens security, cultural homogeneity and social cohesion) and Gianfranco Fini, leader of the National Alliance (AN) party (a center-right party with fascist roots that also supports strong immigration controls). Both the Northern League and AN are members of the Berlusconi ruling coalition; Fini is now Deputy PM and FM.

¶14. (U) The Bossi-Fini law sought to control the number of legal immigrants and where they could work using a strict national and regional quota system. Under the law, immigrants seeking entry must have employment prior to applying for a visa and/or residency permit. The law requires employers to provide the immigrants with transportation and housing and to pay a fee of 300-800 Euro per worker. The government sets national and regional quotas on immigration as it sees fit, and the limits do not always correspond to employer demand or the availability of jobs. Fines for those who assist illegal immigrant entrances into the country and those who employ them rose steeply under this law.

¶15. (C) Opponents of the Bossi-Fini law focus on economic and social concerns. Italy's long coastline and geographic proximity to North Africa and Eastern Europe make regulating immigration a very difficult, if not impossible task. Additionally, because immigrants come to Italy for economic reasons, they settle in areas where jobs are abundant regardless of the quota system. The majority of businesses (85%) are small to medium size and do not have the capacity to deal with the paperwork or cannot afford

the regularization fee. Until 2004-2005, there were no private jobs banks or employment services and only limited legal part-time work, which made it difficult for immigrants to find jobs prior to arrival. The law has further complicated bureaucratic processes associated with immigrant legalization, family reunification, arrests, expulsion, and residency. Monitoring individuals and organizations who break the law is costly, complicated and often ineffective.

¶16. (C) Many critics predicted that the quota system, coupled with expensive new bureaucratic regulations, would encourage rather than discourage illegal immigration and underground work. Employers have an incentive to risk fines and bypass the system to employ cheap low-skilled laborers, who are arriving in increasing numbers. Bossi-Fini also did not address Italy's long-term need to match employment needs (whether for seasonal agricultural/construction workers or high-tech specialists) to the pool of potential immigrants.

Impact of Regularization

¶17. (U) In the first week after implementation, over 30,000 immigrants were legalized. Although the government expected around 100,000, this was considered a good start. Between 2002 and 2003, over 700,000 migrants became legalized under Bossi-Fini, creating a dramatic increase in the number of tax-paying laborers in the legal work force. In 2004, almost 130,000 laborers became regularized. During the first-quarter of 2005, there was a smaller declared employment growth of 1.4%, which government officials are attributing partially to the regularization of immigrant workers and partially to a 2003 law that increased labor market flexibility by allowing employers to hire part-time workers without providing full benefits. The largest levels of growth took place in the sectors of construction (8.9%) and services (1.3%), traditionally areas of migrant employment. In the north, the region most foreigners migrate to upon entrance to Italy, over 180,000 jobs were created during the first quarter of 2005.

¶18. (U) In 2004, anticipating an even larger migration flux, the government fixed the 2005 immigration quota at 79,500; above the original long-term plan of 60,000-70,000. The 2005 quota allows for 25,000 seasonal, 30,000 non-seasonal, and 15,000 domestic worker entrances in 2005, with specific limits on how many workers can come from each high-level migration country. Most of the limits are on Albanian (3000 per year), Tunisian (3000 per year), and Moroccan immigrants (2500 per year), who make up the largest percentages of the immigrant population and are the biggest source of illegal immigration.

¶19. (U) The data indicates that the Bossi-Fini reforms are not working as the Government had hoped. The most recent Caritas (a Catholic NGO) data estimates that illegal--those who came to Italy without visas--and irregular--those who came to Italy with visas that have expired--immigrants present in Italy rose 12.5% between 2002 and 2003. There is a high intensity of underground employment in bars and restaurants (22.3%), in small commercial enterprises (17.4%), and in agriculture (17.3%).

¶10. (U) The number of expulsions of illegal immigrants and the number of immigrants turned away at the borders declined significantly between 2002 and 2003, but rose again in 2004-2005 with the influx of illegals arriving in boatloads from Libya. Italy has been criticized by the human rights community for its new policy to quickly return these immigrants to Libya without adequate asylum processing. Italy was successful in reducing illegal immigration from Albania by providing border control assistance and training and is pursuing a similar bilateral program with Libya.

Security and Social Concerns

¶11. (C) In the wake of the London bombings, Italy enacted a new Anti-Terrorism law, and the police have cracked down on illegal immigrants with 141 arrests and over 700 planned expulsions since the beginning of August. With a heightened terror alert, it is likely this trend will continue in Italy through the 2006 national elections.

¶12. (C) The majority of Italians associate immigrants with clandestine immigration, and clandestine immigration with the black market and crime. The numbers of illegal immigrants arrested in for crimes rose in 2004, justifying

the stereotype. It is important to point out that the number of criminal offenses associated with legal immigrants, however, is extremely low. Statistics like these, coupled with media coverage of clandestine

immigrants trying to reach southern Italy via sea-transport, have heightened growing discrimination against immigrants, particularly in the North. Parties like Northern League and National Alliance have used these images and statistics to gain support for their anti-immigrant platforms, which have become popular in the 2006 national election campaign.

¶13. (C) Although perhaps overtaken by the new Antiterrorism legislation, left and center-left critics of Bossi-Fini continue to criticize the law as insufficiently humane. In 2004, the Italian Constitutional Court ruled that the Bossi-Fini provisions allowing for rapid arrests and deportation of illegal immigrants infringed on the personal liberties guaranteed in Article 13 of the Italian Constitution.

The law's restrictions on family reunification, they argue, are also counterproductive to efforts to integrate immigrants into Italian society. These critics have a fundamentally different approach to immigration than the drafters of Bossi-Fini.

Comment

¶14. (C) Bossi-Fini was successful in bringing a limited number of illegals onto taxpaying business payrolls. If the bureaucratic obstacles to legal immigration were eliminated, there would likely be a further increase in declared work force numbers. However, the Bossi-Fini quota system and fines have failed to deter increased illegal immigration. Lacking other solutions, the Government raised its quota level well beyond the average they originally intended to pursue, but it will not be enough to deter illegal entrances. Bossi-Fini also does not include long-term solutions for recruiting the type of workers the economy needs or addressing growing integration concerns. The Government's recent crackdown in response to the London bombings was aimed primarily at immigrants; with extremist threats directed at Italy and a 2006 election campaign in full swing, this trend is likely to continue despite some concerns about civil liberties. But the debate over how to fix Bossi-Fini in a way that meets economic needs, addresses security concerns and preserves Italian civil rights has just begun.

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